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ASOP GLOBAL Statement in Response to Guilty Pleas in CanadaDrugs.com Case

WASHINGTON — **December 18, 2017** — Following news that defendants in the U.S. Department of Justice's case against the illegal sales by Canadian online business **CanadaDrugs.com** have entered guilty pleas, ASOP Global Executive Director Libby Baney issued the following statement:

"The guilty pleas entered by the defendants and companies in the CanadaDrugs.com case are an important step forward in protecting patients from the dangers of so-called "Canadian" online pharmacies.

2017 <u>research by ASOP Global</u> found that 20% of Americans polled are likely to use a Canadian online pharmacy to save money. But as the CanadaDrugs.com case shows, that is a highly risky choice for U.S. consumers.

The three corporate defendants in the case – CanadaDrugs.com, LTD. Rockely Ventures, Ltd. and River East Supplies, Ltd. – pleaded guilty to selling \$29 million dollars of misbranded and/or counterfeit medications. Many of medications, which were paid for using U.S. currency, in all likelihood went to unsuspecting Americans. Counterfeit medicines often are manufactured under hazardous conditions, contain no active ingredients, and are made using dangerous and sometimes deadly substances. Their actions harmed U.S. patients and put others at risk.

As a condition of their plea, the defendants agree to forfeit the pharmacy domain names used as part of the crime: www.CanadaDrugs.com, www.Cheapodrugs.com, and www.Jandrugs.com. Kristjan Thorkelson, president of CanadaDrugs.com, also had his license to practice pharmacy in Manitoba suspended indefinitely as of December 17, 2017.

With millions of Americans shopping online for medication, taking offline these illegal Canadian online pharmacies is a big win for patient safety.

The guilty pleas in the CanadaDrugs.com case are the result of the international cooperation and commitment of the law enforcement community and federal prosecutors to protecting the public from harmful counterfeit drugs and illegal Canadian online pharmacies.

With 600 new illegal pharmacy websites launching every month, we still have a long way to go to ensure Americans aren't duped by the too-good-to-be-true deals offered by Canadian online pharmacies, but this case represents significant progress in the effort to protect patients from these criminals."

BACKGROUND

Federal charges allege that between 2009 and 2012, CanadaDrugs.com and its subsidiaries, Rockely Ventures, Ltd. and River East Supplies, Ltd. illegally sold \$78 million worth of misbranded and counterfeit cancer drugs to doctors across the U.S. After the FDA uncovered the counterfeit drugs and issued a country-wide recall, the company and its President Kristjan Thorkelson concealed the crime.

In admitting to the sale of counterfeit and misbranded drugs, CanadaDrugs.com and its subsidiaries face up to five years' probation and fines. In admitting to hiding a felony, Thorkelson faces three years imprisonment and fines. Under the terms of plea agreement, CanadaDrugs.com and its subsidiaries agreed to five years of probation, forfeiture of \$29,000,000, and a fine of \$5,000,000 and Thorkelson agreed to probation for 60 months with the first six months to be served under conditions of home detention, and a \$250,000 fine.

With the defendants <u>set for an extradition hearing in Canada</u> in May 2018, the U.S. has filed a motion for a status conference due to the international components of the case. The Federal District Court of Montana will hear from the parties, and consider and rule on the plea agreements in the coming months.

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The <u>Alliance for Safe Online Pharmacies</u> (ASOP Global), a 501(c)(4) non-profit organization headquartered in Washington, D.C. with operations in the U.S., Canada, Europe, India and Asia, is dedicated to protecting consumers around the world, ensuring safe access to medications, and combating illegal online drug sellers.